

SENATE RESOLUTION No. ____

DIGEST OF INTRODUCED RESOLUTION

A SENATE RESOLUTION urging the Legislative Council to assign to the Pension Management Oversight Commission (PMOC) the issue of whether there is a legislative remedy that would allow the tax-free payment of death benefits from certain police and firefighter pension funds and to explore other options.

KRUSE

_____, read first time and referred to Committee on



Introduced

Second Regular Session 115th General Assembly (2008)

SENATE RESOLUTION

MADAM PRESIDENT:

I offer the following resolution and move its adoption:

A SENATE RESOLUTION urging the Legislative Council to assign to the Pension Management Oversight Commission (PMOC) the issue of whether there is a legislative remedy that would allow the tax-free payment of death benefits from certain police and firefighter pension funds and to explore other options.

Whereas, currently, the respective pension funds for police and fire, the 1925 Fund (IC 36-8-6), the 1937 Fund (IC 36-8-7), the 1953 Fund (IC 36-8-7.5), and the 1977 Fund (IC 36-8-8) pay a benefit upon the death of the survivors of deceased members. The purpose of this benefit is to assist with the funeral costs, like an insurance policy;

Whereas, this benefit is paid from the pension fund and therefore is taxed like regular member benefits; and

Whereas, it is believed that the savings to the funds of investing in insurance type benefits would be cost effective and cheaper than paying the death benefit directly from the respective pension funds. In addition, the survivors of deceased fund members would realize a tax-free benefit as opposed to the current method of payment: Therefore,

2008

RR 3510/DI eo+



*Be it resolved by the Senate of the
General Assembly of the State of Indiana:*

1 SECTION 1. That the Legislative Council is urged to assign to the
2 Pension Management Oversight Commission (PMOC) the issue of
3 whether there is a legislative remedy that would allow local units of
4 government for the 1925 Fund (IC 36-8-6), 1937 Fund (IC 36-8-7),
5 1953 Fund (IC 36-8-7.5), and the Public Employee's Retirement Fund
6 (PERF) for the 1977 Police and Fire Fund (IC 36-8-8) to allow the
7 survivors of deceased members to be paid the death benefits tax free.
8 In addition, the Legislative Council is urged to direct PMOC to explore
9 and investigate the option of allowing the local units to purchase life
10 insurance for each member in the respective fund as well as PERF's
11 ability to purchase an insurance policy in the amount of the death
12 benefit for the members of the 1977 Fund.

13 SECTION 2. The Public Employee's Retirement Fund (PERF)
14 shall provide assistance as requested by PMOC.

